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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #4677-83  
28 June 1983

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

THROUGH : David Y. McManis  
National Intelligence Officer for Warning

FROM : David D. Gries  
National Intelligence Officer for Narcotics

SUBJECT : Narcotics Warning Assessment

The following topics were discussed by Community representatives at the 23 June Warning Meeting.

I. Warning

[ ] CIA noted that recent DEA reports of the availability of cocaine at a lower price in the Miami area may be the result of previously established increases in production. Representatives were asked to be alert to the indications of a glut in other market areas.

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II. Regional Developments

A. Burma -- Implications of Cabinet Changes for the Anti-narcotics Program

Jon Wiant of State reported on the forced resignations of the Minister of Home Affairs, Bo Ni, and General Tin Oo, the principal military adviser to the President, and their reported involvement in narcotics trafficking. Mr. Wiant briefly reviewed DEA and follow-up [ ] evidence linking senior officials to the illicit drug trade and to the use of the security services to facilitate trafficking. He emphasized the serious implications of such evidence for US policy, and reported that FY 83/84 funds for Burma's narcotics suppression campaign are on hold.

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B. Mexico-Belize: Status of Cooperation in Crop Eradication

Brian Stickney of DEA reported that the joint eradication campaign is necessary to prevent Belize from becoming another Jamaica in marijuana production and transiting. Cottage industry cultivation in the northern half of the country is currently estimated to be between 2-300 metric tons per year with a monetary value roughly equivalent to Belize' GNP of \$100-125 million.

The first eradication program, in late November of 1982, is credited with the mid-harvest destruction of more than 500 fields with an area of about 223 acres. The effect of that eradication appeared to be substantial enough to diffuse momentum for cultivation, however, sufficient quantities of marijuana exports continue to keep the industry alive. Successful eradication will hinge on the continued availability of trained Mexican assets and a more complete crop destruction during an operation scheduled for early September 1983.

C. Panama -- Indications of a Possible Shift in Trafficker Financial Laundering Operations

John Glover of Customs reported that records of reported financial flows to Panama from the US between 1980 and 1983 indicate that Panama has become the primary Caribbean laundering center. Mr. Glover presented a graphic display of US cash flows to Panama to illustrate a 90% increase in financial transactions during the past two years, and the illegal transfer of approximately \$2.2 billion.

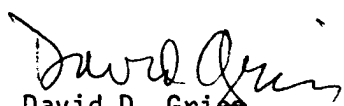
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III. Interagency Work

[redacted] CIA reported that a late May seminar on disrupting heroin supplies to the US market concluded that an interdiction effort is valuable as a signal to foreign governments, but that there is only a small chance of reducing available supplies. [redacted] said that constraints against supply disruptions include cultural use of illegal drugs, the degree of foreign government control over areas under cultivation, economic considerations, and potential growing areas available for the diversion of crops to new areas.

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David D. Gries